

CERTIFICATION OF ENROLLMENT

SENATE BILL 6129

60th Legislature
2007 Regular Session

Passed by the Senate March 12, 2007
YEAS 48 NAYS 1

President of the Senate

Passed by the House April 6, 2007
YEAS 83 NAYS 11

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6129** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 6129

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By Senators Murray and Haugen

Read first time 02/27/2007. Referred to Committee on Transportation.

1 AN ACT Relating to funding for the state patrol highway account;
2 amending RCW 46.16.045 and 46.70.180; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 46.16.045 and 1990 c 198 s 1 are each amended to read
5 as follows:

6 (1) The department in its discretion may grant a temporary permit
7 to operate a vehicle for which application for registration has been
8 made, where such application is accompanied by the proper fee pending
9 action upon said application by the department.

10 (2) The department may authorize vehicle dealers properly licensed
11 pursuant to chapter 46.70 RCW to issue temporary permits to operate
12 vehicles under such rules and regulations as the department deems
13 appropriate.

14 (3) The fee for each temporary permit application distributed to an
15 authorized vehicle dealer shall be (~~five~~) fifteen dollars, five
16 dollars of which shall be credited to the payment of registration fees
17 at the time application for registration is made. The remainder shall
18 be deposited to the state patrol highway account.

1 (4) The payment of the registration fees to an authorized dealer is
2 considered payment to the state of Washington.

3 **Sec. 2.** RCW 46.70.180 and 2006 c 289 s 1 are each amended to read
4 as follows:

5 Each of the following acts or practices is unlawful:

6 (1) To cause or permit to be advertised, printed, displayed,
7 published, distributed, broadcasted, televised, or disseminated in any
8 manner whatsoever, any statement or representation with regard to the
9 sale, lease, or financing of a vehicle which is false, deceptive, or
10 misleading, including but not limited to the following:

11 (a) That no down payment is required in connection with the sale of
12 a vehicle when a down payment is in fact required, or that a vehicle
13 may be purchased for a smaller down payment than is actually required;

14 (b) That a certain percentage of the sale price of a vehicle may be
15 financed when such financing is not offered in a single document
16 evidencing the entire security transaction;

17 (c) That a certain percentage is the amount of the service charge
18 to be charged for financing, without stating whether this percentage
19 charge is a monthly amount or an amount to be charged per year;

20 (d) That a new vehicle will be sold for a certain amount above or
21 below cost without computing cost as the exact amount of the factory
22 invoice on the specific vehicle to be sold;

23 (e) That a vehicle will be sold upon a monthly payment of a certain
24 amount, without including in the statement the number of payments of
25 that same amount which are required to liquidate the unpaid purchase
26 price.

27 (2)(a) To incorporate within the terms of any purchase and sale or
28 lease agreement any statement or representation with regard to the
29 sale, lease, or financing of a vehicle which is false, deceptive, or
30 misleading, including but not limited to terms that include as an added
31 cost to the selling price or capitalized cost of a vehicle an amount
32 for licensing or transfer of title of that vehicle which is not
33 actually due to the state, unless such amount has in fact been paid by
34 the dealer prior to such sale. However, an amount not to exceed
35 (~~thirty-five~~) fifty dollars per vehicle sale or lease may be charged
36 by a dealer to recover administrative costs for collecting motor
37 vehicle excise taxes, licensing and registration fees and other agency

1 fees, verifying and clearing titles, transferring titles, perfecting,
2 releasing, or satisfying liens or other security interests, and other
3 administrative and documentary services rendered by a dealer in
4 connection with the sale or lease of a vehicle and in carrying out the
5 requirements of this chapter or any other provisions of state law.

6 (b) A dealer may charge the documentary service fee in (a) of this
7 subsection under the following conditions:

8 (i) The documentary service fee is disclosed in writing to a
9 prospective purchaser or lessee before the execution of a purchase and
10 sale or lease agreement;

11 (ii) The documentary service fee is not represented to the
12 purchaser or lessee as a fee or charge required by the state to be paid
13 by either the dealer or prospective purchaser or lessee;

14 (iii) The documentary service fee is separately designated from the
15 selling price or capitalized cost of the vehicle and from any other
16 taxes, fees, or charges; and

17 (iv) Dealers disclose in any advertisement that a documentary
18 service fee in an amount up to (~~thirty-five~~) fifty dollars may be
19 added to the sale price or the capitalized cost.

20 For the purposes of this subsection (2), the term "documentary
21 service fee" means the optional amount charged by a dealer to provide
22 the services specified in (a) of this subsection.

23 (3) To set up, promote, or aid in the promotion of a plan by which
24 vehicles are to be sold or leased to a person for a consideration and
25 upon further consideration that the purchaser or lessee agrees to
26 secure one or more persons to participate in the plan by respectively
27 making a similar purchase and in turn agreeing to secure one or more
28 persons likewise to join in said plan, each purchaser or lessee being
29 given the right to secure money, credits, goods, or something of value,
30 depending upon the number of persons joining the plan.

31 (4) To commit, allow, or ratify any act of "bushing" which is
32 defined as follows: Entering into a written contract, written purchase
33 order or agreement, retail installment sales agreement, note and
34 security agreement, or written lease agreement, hereinafter
35 collectively referred to as contract or lease, signed by the
36 prospective buyer or lessee of a vehicle, which:

37 (a) Is subject to any conditions or the dealer's or his or her
38 authorized representative's future acceptance, and the dealer fails or

1 refuses within four calendar days, exclusive of Saturday, Sunday, or
2 legal holiday, and prior to any further negotiations with said buyer or
3 lessee to inform the buyer or lessee either: (i) That the dealer
4 unconditionally accepts the contract or lease, having satisfied,
5 removed, or waived all conditions to acceptance or performance,
6 including, but not limited to, financing, assignment, or lease
7 approval; or (ii) that the dealer rejects the contract or lease,
8 thereby automatically voiding the contract or lease, as long as such
9 voiding does not negate commercially reasonable contract or lease
10 provisions pertaining to the return of the subject vehicle and any
11 physical damage, excessive mileage after the demand for return of the
12 vehicle, and attorneys' fees authorized by law, and tenders the refund
13 of any initial payment or security made or given by the buyer or
14 lessee, including, but not limited to, any down payment, and tenders
15 return of the trade-in vehicle, key, other trade-in, or certificate of
16 title to a trade-in. Tender may be conditioned on return of the
17 subject vehicle if previously delivered to the buyer or lessee.

18 The provisions of this subsection (4)(a) do not impair, prejudice,
19 or abrogate the rights of a dealer to assert a claim against the buyer
20 or lessee for misrepresentation or breach of contract and to exercise
21 all remedies available at law or in equity, including those under
22 chapter 62A.9A RCW, if the dealer, bank, or other lender or leasing
23 company discovers that approval of the contract or financing or
24 approval of the lease was based upon material misrepresentations made
25 by the buyer or lessee, including, but not limited to,
26 misrepresentations regarding income, employment, or debt of the buyer
27 or lessee, as long as the dealer, or his or her staff, has not, with
28 knowledge of the material misrepresentation, aided, assisted,
29 encouraged, or participated, directly or indirectly, in the
30 misrepresentation. A dealer shall not be in violation of this
31 subsection (4)(a) if the buyer or lessee made a material
32 misrepresentation to the dealer, as long as the dealer, or his or her
33 staff, has not, with knowledge of the material misrepresentation,
34 aided, assisted, encouraged, or participated, directly or indirectly,
35 in the misrepresentation.

36 When a dealer informs a buyer or lessee under this subsection
37 (4)(a) regarding the unconditional acceptance or rejection of the

1 contract, lease, or financing by an electronic mail message, the dealer
2 must also transmit the communication by any additional means;

3 (b) Permits the dealer to renegotiate a dollar amount specified as
4 trade-in allowance on a vehicle delivered or to be delivered by the
5 buyer or lessee as part of the purchase price or lease, for any reason
6 except:

7 (i) Failure to disclose that the vehicle's certificate of ownership
8 has been branded for any reason, including, but not limited to, status
9 as a rebuilt vehicle as provided in RCW 46.12.050 and 46.12.075; or

10 (ii) Substantial physical damage or latent mechanical defect
11 occurring before the dealer took possession of the vehicle and which
12 could not have been reasonably discoverable at the time of the taking
13 of the order, offer, or contract; or

14 (iii) Excessive additional miles or a discrepancy in the mileage.
15 "Excessive additional miles" means the addition of five hundred miles
16 or more, as reflected on the vehicle's odometer, between the time the
17 vehicle was first valued by the dealer for purposes of determining its
18 trade-in value and the time of actual delivery of the vehicle to the
19 dealer. "A discrepancy in the mileage" means (A) a discrepancy between
20 the mileage reflected on the vehicle's odometer and the stated mileage
21 on the signed odometer statement; or (B) a discrepancy between the
22 mileage stated on the signed odometer statement and the actual mileage
23 on the vehicle; or

24 (c) Fails to comply with the obligation of any written warranty or
25 guarantee given by the dealer requiring the furnishing of services or
26 repairs within a reasonable time.

27 (5) To commit any offense relating to odometers, as such offenses
28 are defined in RCW 46.37.540, 46.37.550, 46.37.560, and 46.37.570. A
29 violation of this subsection is a class C felony punishable under
30 chapter 9A.20 RCW.

31 (6) For any vehicle dealer or vehicle salesperson to refuse to
32 furnish, upon request of a prospective purchaser or lessee, for
33 vehicles previously registered to a business or governmental entity,
34 the name and address of the business or governmental entity.

35 (7) To commit any other offense under RCW 46.37.423, 46.37.424, or
36 46.37.425.

37 (8) To commit any offense relating to a dealer's temporary license
38 permit, including but not limited to failure to properly complete each

1 such permit, or the issuance of more than one such permit on any one
2 vehicle. However, a dealer may issue a second temporary permit on a
3 vehicle if the following conditions are met:

4 (a) The lienholder fails to deliver the vehicle title to the dealer
5 within the required time period;

6 (b) The dealer has satisfied the lien; and

7 (c) The dealer has proof that payment of the lien was made within
8 two calendar days, exclusive of Saturday, Sunday, or a legal holiday,
9 after the sales contract has been executed by all parties and all
10 conditions and contingencies in the sales contract have been met or
11 otherwise satisfied.

12 (9) For a dealer, salesperson, or mobile home manufacturer, having
13 taken an instrument or cash "on deposit" from a purchaser or lessee
14 prior to the delivery of the bargained-for vehicle, to commingle the
15 "on deposit" funds with assets of the dealer, salesperson, or mobile
16 home manufacturer instead of holding the "on deposit" funds as trustee
17 in a separate trust account until the purchaser or lessee has taken
18 delivery of the bargained-for vehicle. Delivery of a manufactured home
19 shall be deemed to occur in accordance with RCW 46.70.135(5). Failure,
20 immediately upon receipt, to endorse "on deposit" instruments to such
21 a trust account, or to set aside "on deposit" cash for deposit in such
22 trust account, and failure to deposit such instruments or cash in such
23 trust account by the close of banking hours on the day following
24 receipt thereof, shall be evidence of intent to commit this unlawful
25 practice: PROVIDED, HOWEVER, That a motor vehicle dealer may keep a
26 separate trust account which equals his or her customary total customer
27 deposits for vehicles for future delivery. For purposes of this
28 section, "on deposit" funds received from a purchaser of a manufactured
29 home means those funds that a seller requires a purchaser to advance
30 before ordering the manufactured home, but does not include any loan
31 proceeds or moneys that might have been paid on an installment
32 contract.

33 (10) For a dealer or manufacturer to fail to comply with the
34 obligations of any written warranty or guarantee given by the dealer or
35 manufacturer requiring the furnishing of goods and services or repairs
36 within a reasonable period of time, or to fail to furnish to a
37 purchaser or lessee, all parts which attach to the manufactured unit

1 including but not limited to the undercarriage, and all items specified
2 in the terms of a sales or lease agreement signed by the seller and
3 buyer or lessee.

4 (11) For a vehicle dealer to pay to or receive from any person,
5 firm, partnership, association, or corporation acting, either directly
6 or through a subsidiary, as a buyer's agent for consumers, any
7 compensation, fee, purchase moneys or funds that have been deposited
8 into or withdrawn out of any account controlled or used by any buyer's
9 agent, gratuity, or reward in connection with the purchase, sale, or
10 lease of a new motor vehicle.

11 (12) For a buyer's agent, acting directly or through a subsidiary,
12 to pay to or to receive from any motor vehicle dealer any compensation,
13 fee, gratuity, or reward in connection with the purchase, sale, or
14 lease of a new motor vehicle. In addition, it is unlawful for any
15 buyer's agent to engage in any of the following acts on behalf of or in
16 the name of the consumer:

17 (a) Receiving or paying any purchase moneys or funds into or out of
18 any account controlled or used by any buyer's agent;

19 (b) Signing any vehicle purchase orders, sales contracts, leases,
20 odometer statements, or title documents, or having the name of the
21 buyer's agent appear on the vehicle purchase order, sales contract,
22 lease, or title; or

23 (c) Signing any other documentation relating to the purchase, sale,
24 lease, or transfer of any new motor vehicle.

25 It is unlawful for a buyer's agent to use a power of attorney
26 obtained from the consumer to accomplish or effect the purchase, sale,
27 lease, or transfer of ownership documents of any new motor vehicle by
28 any means which would otherwise be prohibited under (a) through (c) of
29 this subsection. However, the buyer's agent may use a power of
30 attorney for physical delivery of motor vehicle license plates to the
31 consumer.

32 Further, it is unlawful for a buyer's agent to engage in any false,
33 deceptive, or misleading advertising, disseminated in any manner
34 whatsoever, including but not limited to making any claim or statement
35 that the buyer's agent offers, obtains, or guarantees the lowest price
36 on any motor vehicle or words to similar effect.

37 (13) For a buyer's agent to arrange for or to negotiate the
38 purchase, or both, of a new motor vehicle through an out-of-state

1 dealer without disclosing in writing to the customer that the new
2 vehicle would not be subject to chapter 19.118 RCW. This subsection
3 also applies to leased vehicles. In addition, it is unlawful for any
4 buyer's agent to fail to have a written agreement with the customer
5 that: (a) Sets forth the terms of the parties' agreement; (b)
6 discloses to the customer the total amount of any fees or other
7 compensation being paid by the customer to the buyer's agent for the
8 agent's services; and (c) further discloses whether the fee or any
9 portion of the fee is refundable.

10 (14) Being a manufacturer, other than a motorcycle manufacturer
11 governed by chapter 46.93 RCW, to:

12 (a) Coerce or attempt to coerce any vehicle dealer to order or
13 accept delivery of any vehicle or vehicles, parts or accessories, or
14 any other commodities which have not been voluntarily ordered by the
15 vehicle dealer: PROVIDED, That recommendation, endorsement,
16 exposition, persuasion, urging, or argument are not deemed to
17 constitute coercion;

18 (b) Cancel or fail to renew the franchise or selling agreement of
19 any vehicle dealer doing business in this state without fairly
20 compensating the dealer at a fair going business value for his or her
21 capital investment which shall include but not be limited to tools,
22 equipment, and parts inventory possessed by the dealer on the day he or
23 she is notified of such cancellation or termination and which are still
24 within the dealer's possession on the day the cancellation or
25 termination is effective, if: (i) The capital investment has been
26 entered into with reasonable and prudent business judgment for the
27 purpose of fulfilling the franchise; and (ii) the cancellation or
28 nonrenewal was not done in good faith. Good faith is defined as the
29 duty of each party to any franchise to act in a fair and equitable
30 manner towards each other, so as to guarantee one party freedom from
31 coercion, intimidation, or threats of coercion or intimidation from the
32 other party: PROVIDED, That recommendation, endorsement, exposition,
33 persuasion, urging, or argument are not deemed to constitute a lack of
34 good faith;

35 (c) Encourage, aid, abet, or teach a vehicle dealer to sell or
36 lease vehicles through any false, deceptive, or misleading sales or
37 financing practices including but not limited to those practices
38 declared unlawful in this section;

1 (d) Coerce or attempt to coerce a vehicle dealer to engage in any
2 practice forbidden in this section by either threats of actual
3 cancellation or failure to renew the dealer's franchise agreement;

4 (e) Refuse to deliver any vehicle publicly advertised for immediate
5 delivery to any duly licensed vehicle dealer having a franchise or
6 contractual agreement for the retail sale or lease of new and unused
7 vehicles sold or distributed by such manufacturer within sixty days
8 after such dealer's order has been received in writing unless caused by
9 inability to deliver because of shortage or curtailment of material,
10 labor, transportation, or utility services, or by any labor or
11 production difficulty, or by any cause beyond the reasonable control of
12 the manufacturer;

13 (f) To provide under the terms of any warranty that a purchaser or
14 lessee of any new or unused vehicle that has been sold or leased,
15 distributed for sale or lease, or transferred into this state for
16 resale or lease by the vehicle manufacturer may only make any warranty
17 claim on any item included as an integral part of the vehicle against
18 the manufacturer of that item.

19 Nothing in this section may be construed to impair the obligations
20 of a contract or to prevent a manufacturer, distributor,
21 representative, or any other person, whether or not licensed under this
22 chapter, from requiring performance of a written contract entered into
23 with any licensee hereunder, nor does the requirement of such
24 performance constitute a violation of any of the provisions of this
25 section if any such contract or the terms thereof requiring
26 performance, have been freely entered into and executed between the
27 contracting parties. This paragraph and subsection (14)(b) of this
28 section do not apply to new motor vehicle manufacturers governed by
29 chapter 46.96 RCW.

30 (15) Unlawful transfer of an ownership interest in a motor vehicle
31 as defined in RCW 19.116.050.

32 (16) To knowingly and intentionally engage in collusion with a
33 registered owner of a vehicle to repossess and return or resell the
34 vehicle to the registered owner in an attempt to avoid a suspended
35 license impound under chapter 46.55 RCW. However, compliance with
36 chapter 62A.9A RCW in repossessing, selling, leasing, or otherwise
37 disposing of the vehicle, including providing redemption rights to the

1 debtor, is not a violation of this section.

2 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2007.

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